

# 900 SOUTH WILMINGTON INCUBATOR

Recommendations to City Council  
for 900 South Wilmington Street

July 1, 2014

(FORMERLY THE RBTC)



# our process

## **WORKSHOP #1**

### DISCOVERY

- Understand the broader context
- Bring out obvious ideas
- Gather perspectives and build a common mind

## **WORKSHOP #2**

### PROTOTYPE

- Go deeper on what the incubator could be
- Make it real through the Business Model Canvas
- Examine specific elements of future scenarios

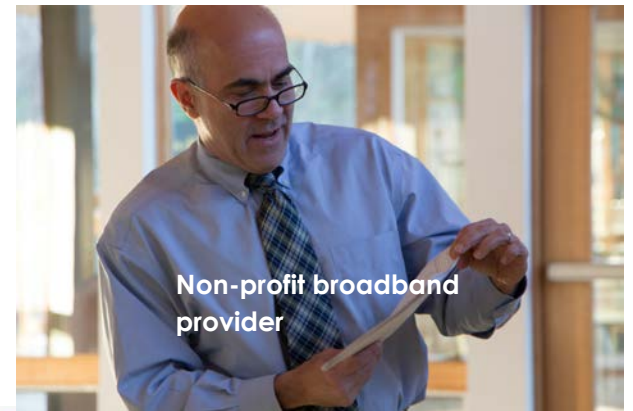
## **WORKSHOP #3**

### REFINE

- Prioritize what's important to the incubator and opportunities for the community going forward
- Create action plans and next steps



# contributing business leaders + community thinkers



## our call to action

Gather local business leaders and community thinkers to reinvent how the Raleigh Incubator located at 900 South Wilmington will act as a catalyst for economic development and become a unique and integral part of the North Carolina entrepreneurial ecosystem.

## what we know

We must adhere to the federal requirement, defined by the original grant, that says the 900 South Wilmington facility is to provide incubator space until the year 2017.

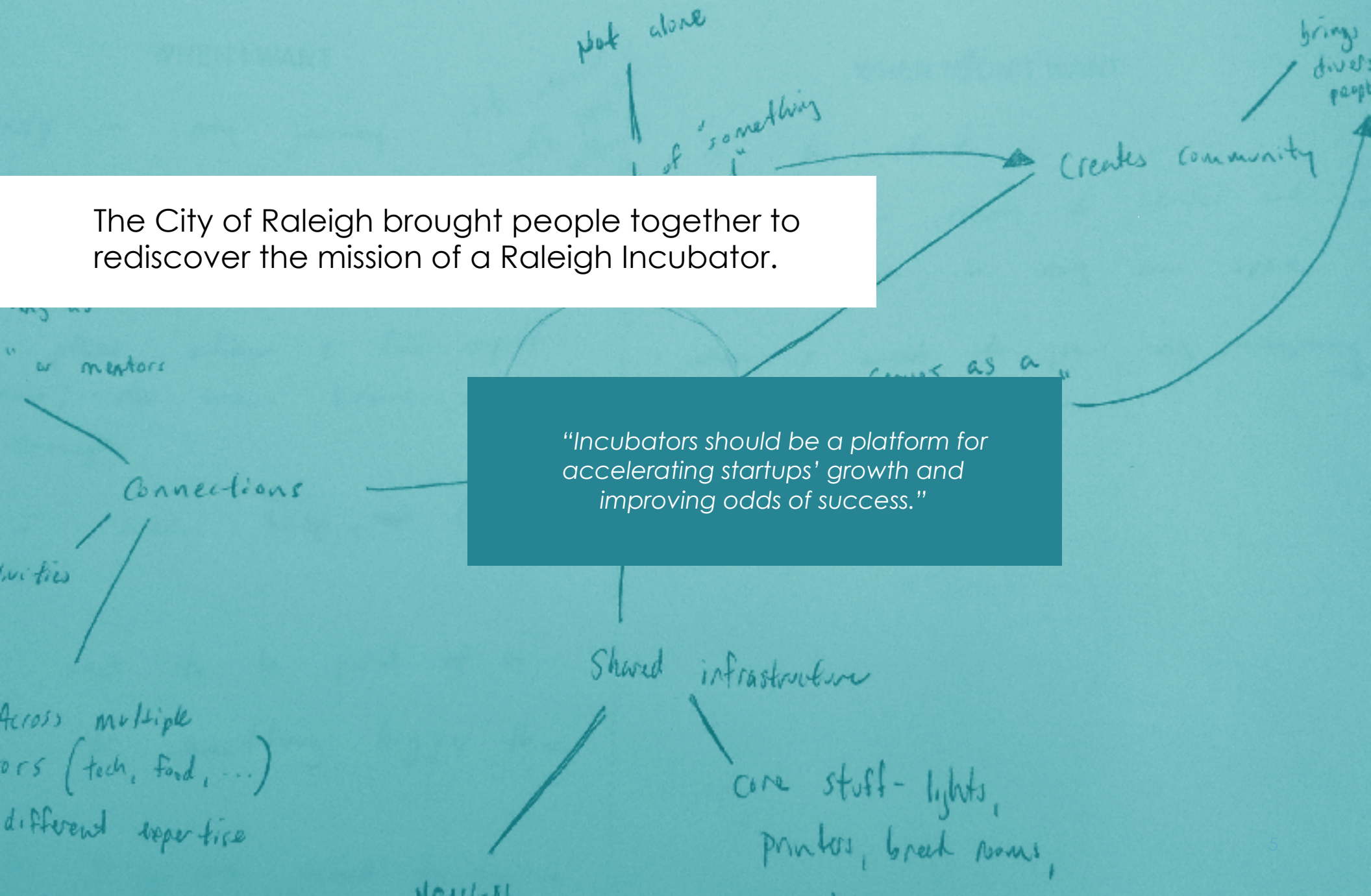
The city would like to gain a market rate for the space, which is challenging to the traditional incubator model.



# What does an incubator do?

The City of Raleigh brought people together to rediscover the mission of a Raleigh Incubator.

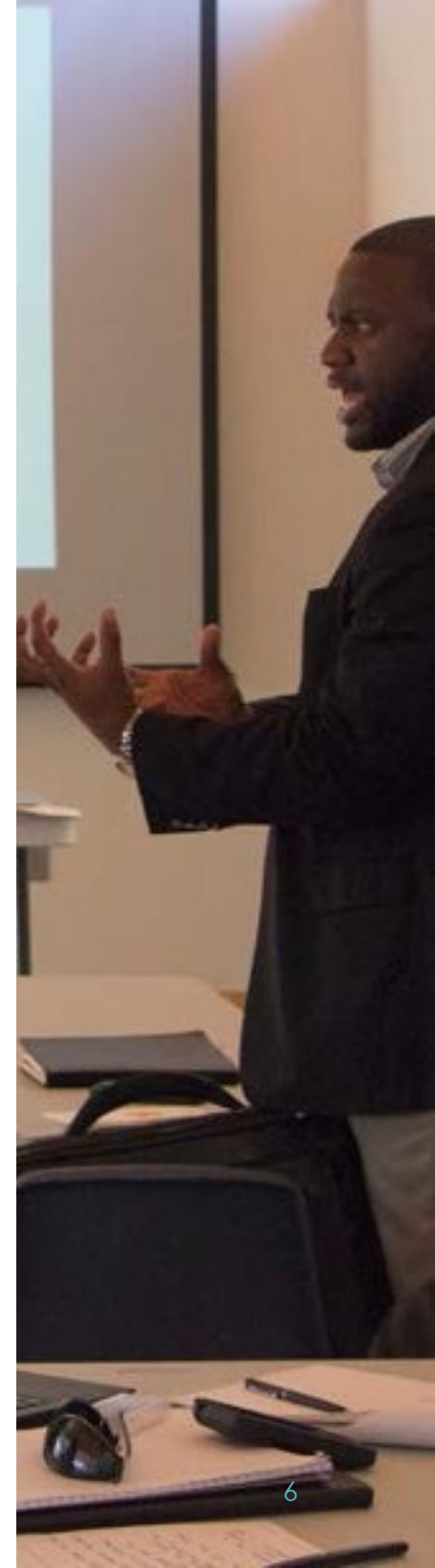
*"Incubators should be a platform for accelerating startups' growth and improving odds of success."*





## incubator goals

- Connect policymakers to creative entrepreneurs to establish a place that attracts and grows new companies
- Connect idea makers with mentors in the community
- Provide an inclusive, accessible technology platform with diverse resources



# who we could serve

We could serve people and organizations in these key categories.

## INDUSTRIES

- Service industry
- Micro-technology
- Apps
- Software
- Gaming
- Consumer goods
- Entertainment
- Fashion
- Marketing
- Design
- Research
- Beta testing
- Scientific testing

## PEOPLE

- Career makers
- Career starters
- Artists
- Musicians
- Brewers
- Makers
- Young professionals
- Recent graduates
- Under-served populations
- Women
- Youth

## COMMUNITY

- Citizens
- Government
- Investors
- Local economy

## UNDER-SERVED NICHES

- Historically under-utilized businesses
- Energy
- Sustainability
- Education
- Healthcare
- Social Entrepreneurship
- Find other unique niches that exist in Raleigh's entrepreneurial culture





THIS IS WHERE WE ENDED UP.

# how we're different

These unique differentiators set us apart  
from other local incubators.

## STATUS

- A source of pride for the entrepreneurs associated with the incubator
- Strong vetting process will set a high standard for acceptance into programs
- Providing access to virtual and business center resources will create the opportunity to connect with other regional and national business incubators
- Inclusive access to incubator resources

## GOVERNMENT ACCESS

- Leverage state & federal support
- Opportunity for successful public-private partnership
- Provide access to policy makers – cut across government red tape
- Give access to government purchasing agents
- Leverage tech to collaborate with other incubators on a regional and national scale

## TECHNOLOGY

- Access to technologies unavailable anywhere else
- High speed broadband



# how will the incubator be helpful?

ENTREPRENEURS WILL DEPEND ON THE INCUBATOR TO...

## ACCELERATE

- Business plans
- Networks
- Investments
- Open markets
- Ideas
- Community growth

## EDUCATE

- Business plan help
- Courses
- Micro courses
- One-on-one training for entrepreneurs

## GAMIFY

- Company dashboard
- Milestones
- Crowd funding

## CONNECT

- Like-minds
- Investors
- Buyers
- Mentors
- Resources
- Data
- Public and private sector
- Other local and national incubators

## SUPPORT

- Specialized services
- Legal
- Technical
- Government
- Cut through political red tape

## PROVIDE CREDIBILITY

- Support other incubators
- Access to government buyers
- Platform to prototype & test

## HELP BUSINESSES FAIL

- Stress test new businesses
- Amputate sooner
- Vet
- Set term limits

## CREATE TRACKS

- Virtual space provides tech connection
- Physical space offers co-working & business center amenities
- Plans review room
- Construction initiatives

THROUGH THE ENVIRONMENTS WE OFFER

## 900 S Wilmington St

- Primary hub

## VIRTUAL CONNECTION

- Provide resources to other incubators through cloud infrastructure
- Media site licenses
- City IT setup

THIS IS WHERE WE ENDED UP

# who could we partner with?

We could work with these key partners.

## GOVERNMENT

- City
- State
- Municipalities
- Federal

## EDUCATION

- Universities
- Community colleges
- Trade schools
- Build professor relationships based on field/industry
- Create internships & volunteer programs

## PRIVATE SECTOR

- Skilled specialists
- Investors

## SPECIALISTS

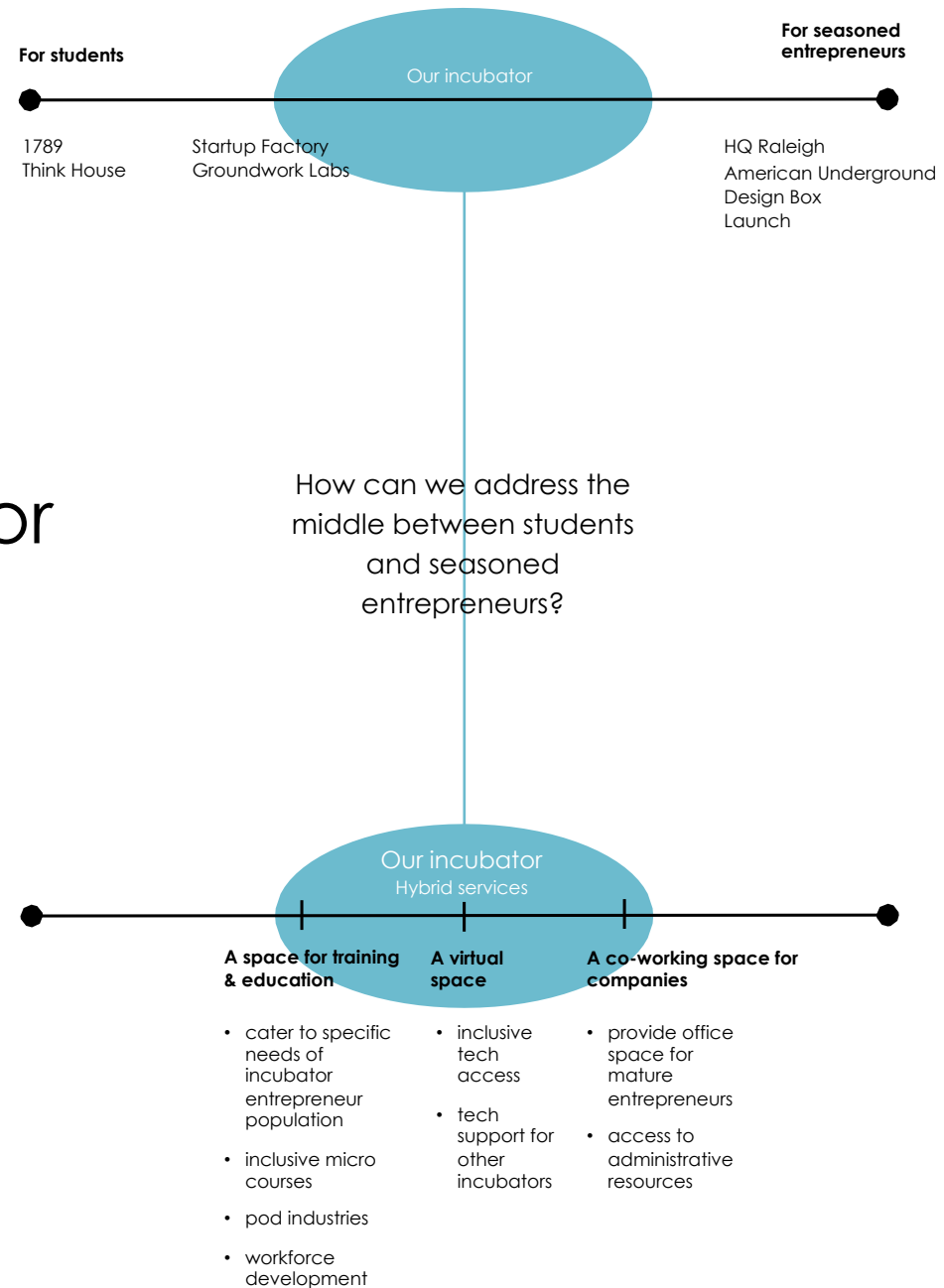
- Lawyers who specialize in gaming
- Business experts
- Professors in specific fields
- Tech experts
- Government officials
- Small and minority support service experts

## RALEIGH COMMUNITY

- Local entrepreneurs
- Well-educated retirees with time and experience

THIS IS WHERE WE ENDED UP.

where does  
the incubator  
fit into the  
ecosystem?





HOPE

① Lost w  
LIFE

# what should we remember along the way?

## **We should preserve**

- Inclusion
- A focus on minority business incubation
- Credibility
- Keep ideas + companies here in the region
- One-on-one educational training

## **We should achieve**

- Transparency
- Inclusion
- Positive brand
- Collaboration
- Integrity
- Start ups that go through round "B" series
- Become a support to all incubators in the region

## **We should eliminate**

- Red tape
- Negative image
- Political Influence
- Personal agendas

## **We should avoid**

- Political trappings
- Ideas that don't scale
- Lack of clarity
- Over-promotion
- Alienation of minority community

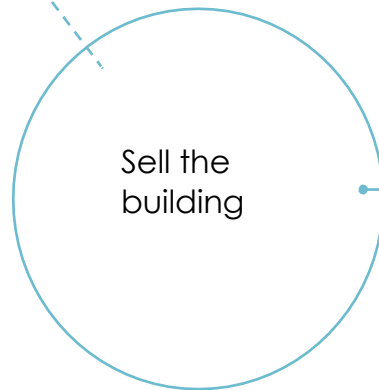
SPAIR

# opportunities

There are limitless possibilities. What great thing will we create?

## Reallocate the space

- what is the penalty for breaking contract?
- could gains of selling cover losses?
- selling is plan B



## Rip out the walls

- create open, collaborative space
- hip factor needed to compete with other incubators

## Lease out as office spaces

- flexible spaces to rent
- shared services (not a traditional incubator model)

## Keep the building public-private partnership

## Create a hybrid

- incubator + co-working + business support
  - serve multiple purposes
  - break traditional incubator model
- subsidized office space with intent to graduate
- provide remote services
  - online courses
  - career resource center
  - virtual office space

## Ask the community

- send a flexible RFP and see who takes
- send a Request for Expressions of Interest (RFEI) that defines the incubator and crowd sources ideas for use

## Ways the city could demand market rate for the space

- corporate subsidies for participating start ups
- government-subsidized tech platforms: broadband and phone bundle

## Work with corporations to offer workforce development services

- leverage strong public university relationships
- explore the possibility of a culinary incubator
- think outside of the traditional incubator box
- develop competencies that fill the skills gap for local corporations

# to serve our community, the incubator must...

## The incubator must value:

1. Big ideas and creative execution
2. Open and honest relationships
3. Measurable results
4. Diversity
5. Fiscal ethics and responsibility
6. Risk taking

## The incubator must do:

1. Balance being pragmatic with being open enough to respond to changing needs
2. Create public-private partnerships
3. Leverage technology platforms to scale impact
4. Share with the community
5. Celebrate success and embrace failure

## The incubator must be:

1. Innovative
2. Inclusive
3. Accountable in empowering new leaders, creating jobs, and incubating companies to become independent
4. Transparent
5. An energetic hub teeming with activity



So where do we go from here?

*"During the inception stages [of the RBTC], Shaw University contributed to the implementation of the plan for which the building was originally intended. Today, we are equally enthusiastic to contribute to ideas surrounding the future use of the space.*

*The possibilities for future development of the 900 S Wilmington Street are endless. Shaw University is prepared to contribute its academic resources to the City of Raleigh and the surrounding populous in order to create a center that fully benefits the community it serves.*

*Shaw University looks forward to actively participating in the rebirth of the 900 S Wilmington Street building."*

*— Tashni-Ann Dubroy, Shaw University*

# RFI questions

In order for the City of Raleigh to determine how best to proceed with the incubator space, the group suggested answering these questions.

## Sentiments of the visioning group:

- Take the time to do the research so that we can build around known variables
- If we move too quickly, we could make a wrong move

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### WHICH ENTREPRENEURIAL SEGMENTS WOULD MOST BENEFIT FROM AN INCUBATOR SPACE?

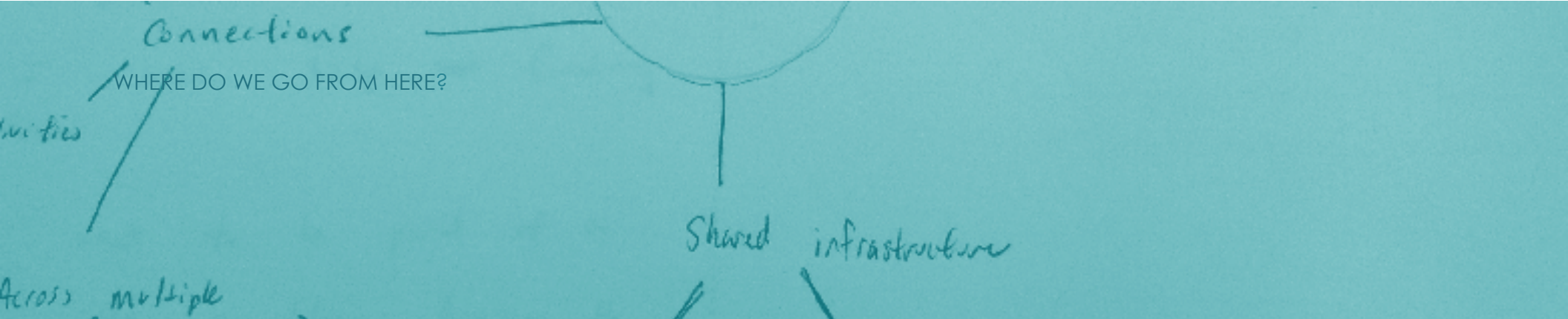
- Assess demand for incubators in underserved entrepreneurial niches
- How do we avoid Incubator duplication?
- Do something really beneficial and unique
- Give a community exposure to entrepreneurial culture

### WHAT IS THE TRUE DEMAND FOR A MINORITY INCUBATOR SPACE?

- Research the demographic changes in the region since the incubator was founded
- What is the best way to serve a community traditionally under-represented in the entrepreneurial ecosystem?

### HOW CAN WE CREATE A TRANSPARENT, PROFITABLE, PUBLIC-PRIVATE MANAGERIAL MODEL?

- Opportunities for public-private partnership set this incubator apart
- What does a transparent, profitable public-private managerial model look like?
- How do we best partner with public and private universities to take advantage of our strong university ecosystem?



# next steps

## Review and verify

- Review visioning process & next steps
- Understand Federal grant requirements
- Gather and include Council feedback

## Develop criteria

- Define requirements and criteria for incubator
- Establish performance metrics to measure outcomes
  - # Jobs created
  - # Business plans vetted
  - # Business start-ups & accelerating startups
  - Economic impact
  - Collaborative strategies
- Develop RFI to address additional questions
  - Define gaps in understanding need for unique incubator for diverse population
  - Assess needs & demand for services to minority community
  - What does a transparent, profitable, public-private model look like?
  - How does strategy jettison minority startup businesses to mainstream?
  - What makes 900 South Wilmington facility unique in services it provides to community?

## Ask the community

- Send RFI requesting input from parties interested in partnering to establish a best-in-class incubator